PROVINCE OF SASKATCHEWAN

09-10

ANNUAL REPORT

SASKATCHEWAN
COMMUNICATIONS NETWORK

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This Annual Report is also available in electronic format from the following website **www.finance.gov.sk.ca**.

Letters of Transmittal

His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Saskatchewan Communications Network Corporation (SCN) for the fiscal year ending March 31, 2010, including financial statements, in accordance with *The Communications Network Act.*

Respectfully,

Dustin Duncan
Minister Responsible for SCN

The Honourable Dustin Duncan
Minister Responsible for SCN

Dear Minister:

I have the honour of submitting the Annual Report of the Saskatchewan Communications Network Corporation for the fiscal year ending March 31, 2010.

As part of my responsiblity as acting President and CEO of SCN I provide assurance on the accuracy and reliability of the information contained in the Corporation's 2009-10 Annual Report.

Respectfully submitted,

Twyla MacDougall
Acting President and CEO, SCN

Introduction

SCN's mandate and funding provided for two activities, educational broadcasting and distance education.

The Education Broadcast Network provided programs for pre-school and school age children and content from Saskatchewan and beyond.

The Televised Distance Education Network provided students throughout the province access to secondary and post-secondary learning. This helped to ensure equitable learning opportunities for students in rural, remote and urban locations. Additional non-core funded activities included carriage of the Saskatchewan Legislative Assembly and high speed internet via satellite.

The decision to wind down the operations of SCN was made within the 2010-11 budget process and announced on March 24, 2010. Accordingly, as at March 31, 2010, the Corporation's financial statements have been prepared on a liquidation basis of accounting whereby all the assets are recorded at the lower of net book value and net realizable value and liabilities are stated at their estimated settlement amounts.

Progress in 2009-10

Education Broadcast Network

In 2009-10 SCN invested just under $2 million in new content with approximately $1.4 million of that for Saskatchewan content. The Government of Saskatchewan no longer sees a role for itself in the broadcast business and an expression of interest was prepared to determine if these broadcast assets can be sold and continue to be used within the Province.

Televised Distance Education Network

Expansion continued in 2009-10 on the televised distance education infrastructure. This work was completed on behalf of the Ministry of Education and the remote sites increased from 228 to 546. The Government of Saskatchewan maintains that the delivery of this service is important to the Province therefore, responsibility for this service is being transferred to Saskatchewan Telecommunications (SaskTel).

Other Satellite Services

Use of SCN's satellite-delivered broadband services to remote areas has grown with services now offered to the Provincial Public Safety Telecommunications Network. SCN also provided video distribution services to the Legislative Assembly for the broadcast of the Legislative channel and to Access Communications, to distribute live broadcasts of *Access7 Charity Bingo* and *In the Huddle*. These satellite services will be maintained with SaskTel managing the operations.

2009-10 Financial Overview

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AUDITORS' REPORT

To the Members of the Legislative Assembly, Province of Saskatchewan

We have audited the balance sheet of Saskatchewan Communications Network Corporation as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

June 16, 2010

Saskatchewan Communications Network Corporation
Balance Sheet

As At March 31

	2010	2009
Assets		
Current Assets		
Cash	$1,554,308	$929,939
Restricted cash (note 7)	1,417,624	---
Accounts receivable and accrued interest	217,739	3,960,300
Prepaid expenses	62,999	25,363
	3,252,670	4,915,602
Property, Plant and Equipment (note 4 and 17)	2,266,576	1,709,280
Film and Television Program Rights (note 5 and 17)	100,000	2,310,037
	$5,619,246	$8,934,919
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$1,869,367	$1,361,361
Funds under administration (note 7)	1,439,585	3,069,686
Deferred Contributions (note 8)	1,200	32,050
	3,310,152	4,463,097
Deferred Contributions Related to Property, Plant and Equipment (note 9 and 17)	1,810,574	1,094,386
Net Assets		
Invested in property, plant and equipment	456,002	614,894
Invested in flim and television program rights	100,000	2,310,037
Unrestricted	(57,482)	452,505
	498,520	3,377,436
	$5,619,246	$8,934,919

Basis of preparation - liquidation basis of accounting (note 2)
Commitments (note 10 and 17)

Signed on Behalf of the Board

, Director , Director

see accompanying Notes to the Financial Statements

Statement of Operations

For the Year Ended March 31

	2010	2009
Revenues		
Grant from the Government of Saskatchewan		
- General revenue fund	$6,267,000	$5,997,000
- Intergovernmental fund	539,818	---
Data transmission over satellite	1,169,582	1,022,588
Video transmission over satellite	373,889	341,366
Network configuration	321,547	305,755
Corporate sponsorship	83,250	118,500
Project administration and miscellaneous	118,810	168,103
Membership	30,744	45,922
Interest	120	13,929
	8,904,760	8,013,163
Expenses (note 14 and 15)		
Film and television program rights	1,986,364	2,239,935
Program development and production	304,839	220,069
Program support	832,525	682,119
Broadcast network distribution and support	724,135	679,009
E-learning network distribution and support	782,982	576,408
Other networks distribution and support	1,439,145	1,303,970
Administration	2,483,038	1,609,160
Amortization of property, plant and equipment	1,164,882	661,255
Impairment of long-lived assest (note 6)	2,065,766	---
	11,783,676	7,971,925
(Deficiency) Excess of Revenue Over Expenses for the Year	$(2,878,916)	$41,238

see accompanying Notes to the Financial Statements

Statement of Changes in Net Assets

For the Year Ended March 31, 2010

	Invested in			
	Property, plant and equipment	Film & TV program rights	Unrestricted	2010
Balance, beginning of year	$614,894	$2,310,037	$452,505	$3,377,436
(Deficiency) excess of revenues over expenses	(1,305, 577)	(3, 826,224)	2,252,885	(2,878,916)
Increase (decrease) in investments	1,862,873	1,616,187	(3,479,060)	---
Deferred contributions related to property plant and equipment	(716,188)	---	716,188	---
Balance, end of year	$456,002	$100,000	$(57,482)	$498,520

For the Year Ended March 31, 2009

	Invested in			
	Property, plant and equipment	Film & TV program rights	Unrestricted	2009
Balance, beginning of year	$614,366	$2,541,554	$180,278	$3,336,198
(Deficiency) excess of revenues over expenses	(661,225)	(2,163,535)	2,866,028	41,238
Increase (decrease) in investments	1,138,073	1,932,018	(3,070,091)	---
Deferred contributions related to property plant and equipment	(476,290)	---	476,290	---
Balance, end of year	$614,894	$2,310,037	$452,505	$3,377,436

see accompanying Notes to the Financial Statements

Statement of Cash Flows

For the Year Ended March 31

	2010	2009
Cash Flows from Operating Activities		
Grant received	$6,806,818	$5,997,000
Interest received	177	16,402
Fees received for goods and services	3,475,662	2,177,652
Net cash receipts for funds under administration	1,419,899	(140,009)
Cash payments to suppliers and employees	(6,181,503)	(4,625,383)
	5,521,053	3,425,662
Cash Flows Used in Investing Activities		
Cash payments for purchase of property, plant and equipment	(1,862,873)	(1,138,073)
Cash payments for purchase of film and television program rights	(1,616,187)	(1,932,018)
	(3,479,060)	(3,070,091)
Increase in cash	2,041,993	335,571
CASH - BEGINNING OF YEAR	929,939	574,368
CASH - END OF YEAR	$2,971,932	$929,939
Cash is comprised of:		
Cash	$1,554,308	$929,939
Restricted Cash	1,417,624	---
	$2,971,932	$929,939

see accompanying Notes to the Financial Statements

Notes to the Financial Statements

For the Year Ended March 31, 2010

1. STATUS OF CORPORATION

Saskatchewan Communications Advanced Network Authority (SCAN) was established by an Order in Council January 11, 1989 under the Crown Corporations Act, 1978. SCAN was continued as Saskatchewan Communications Network Corporation ("SCN" or the "Corporation") under the Communications Network Corporation Act, 1990. Accordingly, the financial results of the Corporation are included in the summary financial statements of the Province of Saskatchewan. As a provincial Crown corporation, SCN is not subject to federal income tax, provincial income tax, or goods and services tax.

On March 24, 2010, there was an approval of a regulation that moved SCN under *The Crown Corporations Act* allowing, by Order in Council (148/2010), the dissolution of the Corporation. The notice appeared in the Saskatchewan Gazette April 1, 2010 and the Regina Leader-Post on April 8, 2010.

2. BASIS OF PRESENTATION - LIQUIDATION BASIS OF ACCOUNTING

Pursuant to standards established by the Public Sector Accounting Board, the Corporation is classified as a government not-for-profit organization. The going concern basis of presentation assumes the Corporation will continue in operation for the foreseeable future and it will be able to realize its assets and discharge its liabilities in the normal course of business. With the disposition or discontinuance of substantially all of the Corporation's operations, the going concern basis of presentation is no longer appropriate. Accordingly, as at March 31, 2010, the Corporation's financial statements have been prepared on a liquidation basis of accounting whereby all the assets are recorded at the lower of net book value and net realizable value and liabilities are stated at their estimated settlement amounts.

The objective of presenting discontinued operations is to segregate the results that have been discontinued from the results of continuing operations. Since the Corporation has no substantial continuing operations, discontinued operations presentation has not been adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a. Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Corporation relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail (Note 2). Assumptions underlying asset valuations are limited by the uncertainty of predictions concerning future events. By nature, asset valuations are subjective and do not necessarily result in precise determinations. The recognition of liabilities at the estimated retirement amount may change in the near term due to negotiated settlements, or other events related to the wind-up of operations. Actual results could differ materially from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

b. Revenue recognition

The government operating grant is recognized in the year it is approved. Other government contributions are recognized in the fiscal year in which the related expenses are incurred.

Deferred contributions represent funding received in the current period that is related to externally restricted expenses in the subsequent period. These contributions represent funding received to purchase data transmission over satellite equipment and network configuration equipment. The data transmission over satellite equipment is amortized over the two year life of the underlying assets. The network configuration equipment is amortized over the five year life of the underlying assets. Distance education equipment is amortized over the life of the underlying asset, being 2 or 3 years.

Other revenues are recognized when the related service is provided.

c. Defined contribution pension plan

The Corporation contributes to a defined contribution plan. The defined contribution plan costs are recognized as employees render services during the year.

d. Property, plant and equipment

Property, plant and equipment was recorded at cost less accumulated amortization. Amortization was calculated over the assets estimated useful lives as follows:

Office equipment and furniture	Declining Balance	30%
Uplink development and broad cast equipment	Declining Balance	30%
Computer hardware	Declining Balance	40%
TVs, VCRs, cameras, satellite dishes and receivers	Declining Balance	40%
Fax machines and conferencing units	Declining Balance	50%
Computer software	Declining Balance	60%
Data transmission equipment	Straight Line	2 years
Distance education hardware	Straight Line	2-3 years
Scheduling computer software	Straight Line	5 years
Network configuration	Straight Line	5 years
Office renovations	Straight Line	6 years
Digital video compression equipment	Straight Line	9 years

e. Film and television program rights

Film and television program rights were recorded at cost less accumulated amortization. Amortization was calculated over the assets estimated useful lives as follows:

Class A: Event programming	Expense	100%
Class B: Short- to Mid-term programming	50:50	2 years
Class C: Normal term programming	35:35:30	3 years
Class D: Long-term programming	Straight Line	5 years

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

f. Impairment of long-lived assets

When a long-lived asset no longer contributes to the organization's ability to provide services, its carrying amount is written down to residual value, if any. Any difference between the carrying value and the lower residual value is expensed in the statement of operations in the year of impairment. Residual value is defined as "the estimated net realizable value of a long-lived asset at the end of its useful life to an organization".

Property, plant and equipment and film and television program rights have been recorded at net residual value. The excess of the carrying amounts over any residual values was recognized as an expense in the statement of operations.

4. PROPERTY, PLANT AND EQIPMENT

The components of property, plant and equipment as well as the related accumulated amortization are:

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment and furniture	$488,149	$421,290	$66,859	$97,887
Uplink development and broadcast equipment	1,309,349	1,084,451	224,898	280,237
Computer hardware	126,371	112,279	14,092	73,918
TVs, VCRs, cameras, satellite dishes and receivers	482,677	479,945	2,732	2,664
Fax machines and conferencing units	31,652	31,649	3	6
Computer software	43,348	41,821	1,527	47,739
Data transmission equipment and distance education hardware	2,406,640	2,347,228	59,412	841
Distance education hardware	1,468,746	489,582	979,164	---
Scheduling computer software	124,587	123,959	628	1,879
Network configuration	2,153,674	1,236,413	917,261	1,204,109
Digital video compression equipment	1,341,474	1,341,474	---	---
	$9,976,667	$7,710,091	$2,266,576	$1,709,280

Amortization for the year totaled $1,164,882 (2009 - $661,225). Impairment for the year totaled $140,695 (2009 – nil).

5. FILM AND TELEVISION PROGRAM RIGHTS

The components film and television program rights as well as the related accumulated amortization are:

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Class B	$25,255	$12,778	$12,777	$392,825
Class C	42,072	25,150	16,922	527,225
Class D	138,682	68,381	70,301	1,389,987
	$206,309	$106,309	$100,000	$2,310,037

Amortization for the year totaled $1,901,153 (2009 - $2,163,535). Impairment for the year totaled $1,925,071 (2009 – nil).

6. IMPAIRMENT OF LONG-LIVE ASSETS

The decision to wind down the operations of SCN was announced before its balance sheet date of March 31, 2010. As such, SCN's long-lived assets have limited long-term service potential to the organization. The excess of SCN's assets have been adjusted to reflect residual value with the expense recognized in the statement of operations. An impairment adjustment of $140,695 was made for property, plant and equipment and an impairment adjustment of $1,925,071 was made for film and television program rights.

7. FUNDS UNDER ADMINISTRATION AND RESTRICTED CASH

The Corporation administers funds on behalf of related parties, in accordance with the terms of contracts between the Corporation and the related parties. The majority of the funds under administration is considered restricted cash as it is for distance education hardware upgrades and is being transferred to Saskatchewan Telecommunications.

8. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for data transmission over satellite and other miscellaneous amounts. Changes in deferred contributions balance are as follows:

	2010	2009
Data transmission over satellite		
Beginning balance, related to data transmission over satellite	$2,400	$25,143
Less amount recognized	(1,200)	(25,143)
Add amount received related to the following year	---	2,400
Ending balance, data transmission over satellite	1,200	2,400

8. DEFERRED CONTRIBUTIONS CONTINUED

	2010	2009
Miscellaneous		
Beginning balance, miscellaneous	29,650	3,750
Less amount recognized as revenue in the year	(29,650)	(1,500)
Add amount received related to the following year	---	27,400
Ending balance, miscellaneous	---	29,650
Ending balance	$1,200	$32,050

9. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY, PLANT AND EQUIPMENT

Changes in deferred contributions balance are as follows:

	2010	2009
Data transmission over satellite equipment		
Beginning balance	$841	$2,944
Contributed equipment	18,351	1,682
Amount amortized to revenue	(10,016)	(3,785)
Ending balance, data transmission over satellite equipment	9,176	841
Network configuration equipment		
Beginning balance	$1,093,545	$615,152
Contributed equipment	---	790,226
Amount amortized to revenue	(321, 547)	(311,833)
Ending balance, network configuration equipment	771,998	1,093,545
Distance education equipment		
Beginning balance	---	---
Contributed equipment	1,569,218	---
Amount amortized to revenue	(539,818)	---
Ending balance, data transmission over satellite equipment	1,029,400	---
Ending balance	$1,810,574	$1,094,386

10. COMMITMENTS

a. *Productions*
At March 31, 2010 the Corporation had commitments totaling $18,365 (2009 - $12,250) representing the estimated cost to complete productions in progress.

b. *Broadcast and duplication rights*
At March 31, 2010 the Corporation had commitments totaling $1,266,119 (2009 - $786,827) for the acquisition of broadcast and duplication rights.

c. *Satellite transponder*
At March 31, 2010 the Corporation had commitments with vendors for transponder space totaling $3,792,744 (2009 - $3,876,912). Included in this total are $587,944 in costs to support the Internet over Satellite Initiative for 2009-11 which the Ministry of Education has committed to cover. The vendor contract extends to March 31, 2013 and the commitment with the Ministry of Education extends to June 30, 2011.

d. *Property lease agreements*
The Corporation has a contract with the Ministry of Government Services, a related party, for the lease of accommodation space. The estimated contract cost for 2010-11 is $285,148 (2009 - $341,784). The contract extends to June 14, 2012.

e. *Lease agreement for broadcast scheduling software*
The Corporation contracts with vendors for the lease of broadcast scheduling software. The contract cost for 2010-11 is $9,900 (2009 - $4,331). The contract extends to August 31, 2012.

f. *Music license agreement*
The Corporation has a contract to license music for the purpose of synchronization with produced productions. The contract cost for 2010-11 is $3,711 (2009 – nil). The contract extends to March 12, 2011.

A summary of future years commitments are detailed below:

Year ending March 31	Commitments
2011	$2,750,041
2012	1,630,632
2013	1,358,343
Total	$5,739,016

11. PENSION COSTS

In 2010, pension expense and employer contributions for the Public Employees Pension Plan were $150,090 (2009 - $130,957).

12. FINANCIAL INSTRUMENTS

Upon initial recognition, financial instruments are measured at fair value and are subsequently accounted for based on their classification as described below:

a. *Held-for-trading*
This classification is carried at fair value with any gains or losses included in net income. The Corporation has classified cash as held-for-trading. This measurement is consistent with the classification under the prior accounting standards and does not result in a change to net assets.

b. *Loans and receivables, and other liabilities*
These classifications were accounted for at amortized cost using the effective interest method. As these statements have been recorded at liquidation basis of accounting whereby all the assets are recorded at the lower of net book value and net realizable value and liabilities are stated at their estimated settlement amounts.

The Corporation does not have any financial assets or financial liabilities which are not recognized in the financial statements.

The Corporation is exposed to credit risk from the potential default of customers. However, the majority of the Corporation's receivables are from related parties, other government corporations and agencies; therefore the credit risk is minimal.

13. RELATED PARTY TRANSACTIONS

All Government of Saskatchewan agencies such as ministries, corporations, boards and commissions are related since all are controlled by the government.

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown-controlled ministries, agencies and corporations with which SCN is related. The more significant of these are SaskTel, Ministry of Government Services, the Saskatchewan Legislative Assembly, and Ministry of Education. Also, SCN is related to non-crown enterprises that the government jointly controls or significantly influences. Account balances resulting from these transactions are included in the balance sheet and are settled on normal trade terms.

The following table summarizes SCN's major related party transactions that are in the normal course of operations. These transactions are recorded at exchange amounts agreed to by the related parties.

13. RELATED PARTY TRANSACTIONS CONTINUED

	2010	2009
Revenues		
Ministry of Tourism, Parks, Culture and Sport	$6,267,000	$5,997,000
Ministry of Education	1,503,291	631,675
Saskatchewan Legislative Assembly	285,552	270,008
Information Technology Office	176,438	---
Ministry of Government Services	45,203	57,330
Saskatchewan Arts Board	40,000	45,000
Ministry of Corrections, Public Safety and Policing	25,200	---
Other	12,593	19,976
Ministry of Environment	---	133,940
Ministry of Highways and Infrastructure	---	35,368
Expenses		
Ministry of Government Services	464,188	466,943
SaskTel	35,756	34,399
University of Regina	16,392	---
Other	1,861	20,369
University of Saskatchewan	370	28,333
Saskatoon Regional Health Authority	---	16,250
Property, Plant and Equipment Expenditures		
Ministry of Government Services	49,612	---
Deferred Contributions at March 31 (note 8 and 9)		
Ministry of Education	1,038,576	3,091
Information Technology Office	1,200	---
Ministry of Environment	---	2,400

13. RELATED PARTY TRANSACTIONS CONTINUED

	2010	2009
Accounts Receivable at March 31		
Information Technology Office	74,938	---
Ministry of Education	57,100	569,098
Ministry of Government Services	11,025	13,230
Other	210	4,984
Ministry of Education (Funds Under Administration)	---	3,050,000
Ministry of Environment	---	55,889
Ministry of Highways and Infrastructure	---	35,368
Saskatchewan Legislative Assembly	---	14,438
Accounts Payable at March 31		
Ministry of Government Services	11,287	12,449
Other	18	---
Ministry of Education	---	237,692
University of Saskatchewan	---	15,000
SaskTel	---	2,576

In addition, the Corporation pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of these purchases.

14. COMPARISON OF PLANNED AND ACTUAL RESULTS EXPENSES

	2010		2009
	Budget	Actual	Actual
General Operating Expenses			
Film and television program rights	$ ---	$85,2109	$76,400
Film and television program rights - amortization	2,043,115	1,901,153	2,163,535
Film and television program rights - impairment	---	1,925,071	---
Program development and production	351,713	304,839	220,069
Program support	609,066	832,839	682,119
Broad network distribution and support	556,137	724,135	679,009
E-learning network distribution and support	542,662	782,982	576,408
Administration	2,073,013	2,483,038	1,609,160
Administration - amortization	139,641	111,856	142,806
Administration - impairment	---	91,347	---
Network distribution - amortization	306,011	1,053,026	518,449
Network distribution - impairment	---	49,348	---
Sub-total	6,621,358	10,344,530	6,667,955
Additional Services Provided			
Network distribution - data	1,125,430	1,278,692	997,762
Network distribution - video	126,763	160,184	306,208
Sub-total	1,252,193	1,439,146	1,303,970
Total	$7,873,551	$11,783,676	$7,971,925
Capital Purchases			
Property, Plant and Equipment			
Administration	$134,037	$88,626	$153,678
Network distribution - general	336,563	1,755,896	982,714
Network distribution - additional services	3,103	18,351	1,681
Sub-total	473,703	1,862,873	1,138,073
Film and Television Program Rights			
General program rights	2,050,000	1,532,937	1,813,518
Sponsorship program rights	---	83,250	118,500
Sub-total	2,050,000	1,616,187	1,932,018
Total	$2,523,703	$3,479,060	$3,070,091

15. CLASSIFICATION OF EXPENSES BY OBJECT

	2010	2009
Salaries (including benefits)	$3,887,469	$2,364,455
Communications	155,363	200,567
General operations		
-Administration	895,840	676,735
-Networks	1,155,864	574,350
Distribution of networks	1,744,393	1,866,616
Program rights	3,911,434	2,239,935
Productions costs	33,313	49,267
Total	$11,783,676	$7,971,925

Due to the wind up of SCN severance cost has been accrued and included in the salary cost above.

16. RELATED PARTY TRANSACTIONS

For comparative purposes, certain 2009 balances have been re-classified to conform to the 2010 financial statement presentation.

17. SUBSEQUENT EVENTS

There was an announcement for SCN to wind up the Corporation and cease on-air broadcasting on April 30, 2010. An Expression of Interest was released to determine if there was a buyer for the broadcast operations. This expression of interest resulted in potential buyers and subsequently led to the extension of SCN's on-air broadcasting. This extension was deemed necessary as it may increase the likelihood of the sale of SCN's broadcast assets.

The satellite service assets will be transferred to Saskatchewan Telecommunications. This transfer of assets will occur June 1, 2010 and the related entity will assume the net book value of the assets and deferred contributions.

SCN currently has funds under administration from Ministry of Education related to distance education hardware. Ministry of Education has authorized transfer of these funds to Saskatchewan Telecommunications as of June 1, 2010.

As of June 30, 2010 all remaining SCN assets and liabilities will be transferred to Government of Saskatchewan, including outstanding commitments.

SASKTACHEWAN COMMUNICATIONS NETWORK
VENDOR ANALYSIS - Cash Payments - 2009/10

Listed are payees who received $50,000 or more for the provision of goods and services, including office supplies, communications, contracts and equipment

Vendor Name	Total
10113318 Saskatchewan Ltd.	$56,250.00
Bell ExpressVu L.P.	$302,547.59
BBC Worldwide	$62,500.00
CDW Canada Inc	$52,836.05
Cookie Jar Entertainment	$60,500.00
Conexus Credit Union 2006	$80,000.00
CPI Communications & Power Industries	$72,982.00
E1 Television International Ltd.	$81,250.00
Evertz Microsystems Ltd.	$77,465.00
Harmony Documentary Inc.	$60,000.00
HS2 Productions Inc.	$120,000.00
Matrix Video Communications	$187,093.49
Minister of Finance	$652,353.52
National Bank of Canada	$119,923.10
SI Productions Inc	$65,000.00
Telesat Canada	$1,613,545.42
Payees Under $50,000	$2,252,338.94
	$5,916,585.11

Listed are individuals who received payments for salaries, benefits, honorariums, etc. which total $2,500 or more

Akeriwe, Awelana	34,284.04
Brown, Dallas	95,374.52
Bruce, Ian	44,056.09
Calder, Trista	49,865.55
Capili, Ben	105,667.31
Chen, Cuiyan	63,557.99
Cho, Steven	61,646.46
Cline, Heather	20,500.00
Contreras, Fabian	62,256.02
Flores, Leilanie	57,602.86
Graham, Susan	86,376.39
Gustin, Richard	175,694.62
Hu, Kevin	57,678.08
Huntley, Krista	57,112.84
Johns, Jim	83,271.23
Kaytor, Andrew	73,529.19
Landry, David	29,022.69
Letsche-Nichol, Carol	29,245.97

Goulden, Jolene	5,152.34
Lindsay, Betty	63,937.95
MacDougall, Twyla	151,999.51
Martens, Robert	28,550.84
Maxim, Michael	58,024.02
McDonald, Joanne	85,282.26
Meyer, Jason	59,343.31
Moriarty, Terry	85,305.08
Pattullo, Ryan	67,938.73
Rapp, Brad	62,399.37
Ritter, Lee	68,628.03
Sali, Wade	73,285.41
Stanchuk, David	132,440.05
Swimmer, Andrew	62,471.83
Thakre, Ranjan	129,618.33
Thomson, John	87,846.96
Thornton, Jordan	57,412.89
Wise, Jody	110,689.98
Zander, Celeste	60,736.48
	$2,637,805.22
	$8,554,390.34